



# MARYLAND

## GRAIN & LIVESTOCK REPORT

|                         |          |             |                                     |             |
|-------------------------|----------|-------------|-------------------------------------|-------------|
| December 28, 2012       | MDA #117 | VOLUME 37   | No. 52                              | PUB. Weekly |
| WEEKLY GRAIN COMMENTARY |          | Kevin McNew | Adjunct Professor, UMD-College Park |             |

### Fiscal Cliff, Economic Uncertain Turn Grains Negative

Low volume, profit-taking, and position evening have been characteristics holding the market captive as we head towards the end of the year. Also pressuring the grains is the uncertainty surrounding the “Fiscal Cliff” and the resulting economic conditions next year. The macro and outside markets traded lower Thursday, dragging the grains into negative territory.

For corn, the theme remains the same with weak demand pressuring the market. Export inspections were decent this week at 13.475 million bushels, but according to our models this year’s pace lags behind the pace needed to meet the USDA’s projections by 78 million bushels. Ethanol use of corn is lagging too. Our projections have us missing the USDA forecast by about 100 million bushels. The EIA will release its weekly ethanol report tomorrow, a day late due to the holiday. Tomorrow we will get the weekly export sales report, which is also delayed because of Christmas. Expectations are for corn sales to come in at about 150,000-300,000 MT.

Soybeans have a different demand scenario shaking up. Export inspections were in-line with expectations, but the important aspect to keep in mind is that we are about 206 million bushels ahead of pace to meet USDA projections, according to our models. Expectations for tomorrow’s export sales report are for sales of soybeans in the area of 100,000-300,000 MT. This is a significantly lower figure than we’ve seen recently due to the cancellations last week. South America’s crop is not experiencing significant problems thus far which has added pressure to the downside.

Wheat is looking very weak from a technical standpoint. The March CBOT contract is now trading near 6-month lows. Competitive world prices and lackluster export sales have driven this market to these levels. Precipitation for the hard red winter wheat belt has alleviated some of the drought concerns and has added pressure to prices. Wheat export sales are expected to be reported around 500,000-700,000 MT in tomorrow’s report.

The end of 2012 is near with a few uncertainties looming over the markets’ heads. “Fiscal Cliff” talks, economic strength or lack thereof, demand for U.S. grain in the world market place, and a progressing South American crop all are weighing on the grain complex. There are only a couple of sessions left to sort the items out before the New Year.

#### CASH GRAIN PRICE – REGIONAL (\$/bu) DEALERS AVERAGE CASH QUOTES

| Grade and Commodity | #2 Y Shelled Corn |       | #2 Yellow Soybeans |       | #2 Red Winter Wheat |       | #3 Barley |       |
|---------------------|-------------------|-------|--------------------|-------|---------------------|-------|-----------|-------|
| Date                | 12/11             | 12/18 | 12/11              | 12/18 | 12/11               | 12/18 | 12/11     | 12/18 |
| Western, MD         | 6.78              | 6.78  | 13.76              | 13.70 | 8.11                | 8.13  | 5.00      | 5.00  |
| Central, MD         | 7.00              | 7.00  | 13.71              | 13.86 | 7.93                | 8.14  | ----      | ----  |
| Southern, MD        | 7.13              | 7.05  | 14.02              | 13.96 | 7.52                | 7.41  | ----      | ----  |
| Upper E. Shore      | 7.54              | 7.46  | 13.97              | 14.01 | 7.67                | 7.56  | ----      | ----  |
| Lower E. Shore      | 7.67              | 7.60  | 14.20              | 14.31 | 7.65                | 7.54  | ----      | ----  |

#### FORWARD CONTRACT PRICE – REGIONAL (\$/bu) HARVEST DELIVERY DEALER’S AVG. QUOTES

| Grade and Commodity | #2 Y Shelled Corn |       | #2 Yellow Soybeans |       | #2 Red Winter Wheat |       | #3 Barley |       |
|---------------------|-------------------|-------|--------------------|-------|---------------------|-------|-----------|-------|
| Date                | 12/11             | 12/18 | 12/11              | 12/18 | 12/11               | 12/18 | 12/11     | 12/18 |
| Western MD          | ----              | ----  | ----               | ----  | ----                | ----  | ----      | ----  |
| Central MD          | ----              | ----  | ----               | ----  | ----                | ----  | ----      | ----  |
| Southern MD         | ----              | ----  | ----               | ----  | ----                | ----  | ----      | ----  |
| Upper E Shore       | ----              | ----  | ----               | ----  | ----                | ----  | ----      | ----  |
| Lower E Shore       | ----              | ----  | ----               | ----  | ----                | ----  | ----      | ----  |

#### GRAIN FUTURES - CME Group - Settle - December 27, 2012 Quarter - cents/bushel)

| Corn  |       | Soybeans |        | Wheat |       | Soybean Meal <sup>1/</sup> |       |
|-------|-------|----------|--------|-------|-------|----------------------------|-------|
| MAR13 | 691’4 | JAN13    | 1418’6 | MAR13 | 772’2 | JAN13                      | 429.8 |
| MAY13 | 694’4 | MAR13    | 1414’0 | MAY13 | 782’2 | MAR13                      | 426.6 |
| JLY13 | 692’0 | MAY13    | 1405’0 | JLY13 | 790’0 | MAY13                      | 418.6 |
| SEP13 | 617’4 | JLY13    | 1401’4 | SEP13 | 803’4 | JLY13                      | 414.3 |
| DEC13 | 596’0 | AUG13    | 1377’4 | DEC13 | 816’4 | AUG13                      | 405.5 |
| MAR14 | 605’6 | SEP13    | 1338’0 | MAR14 | 827’6 | SEP13                      | 390.6 |
| MAY14 | 612’6 | NOV13    | 1302’4 | MAY14 | 827’4 | OCT13                      | 372.5 |
| JLY14 | 615’4 | JAN14    | 1308’6 | JLY14 | 808’2 | DEC13                      | 369.6 |
| SEP14 | 581’0 | MAR14    | 1314’2 | SEP14 | 815’0 | JAN14                      | 370.8 |
| DEC14 | 584’4 | MAY14    | 1315’6 | DEC14 | 823’0 | MAR14                      | 373.8 |

#### HAY AND STRAW

##### New Holland, PA - December 17, 2012 - \$/ton

| Alfalfa         | Mixed Hay      | Timothy         | Grass          | Straw           |  |
|-----------------|----------------|-----------------|----------------|-----------------|--|
| 185.00 – 265.00 | 85.00 – 300.00 | 110.00 – 300.00 | 85.00 – 250.00 | 125.00 – 190.00 |  |

##### Westminster, MD – December 17, 2012 - \$/bale

| Alfalfa     | Alfalfa Mix  | Timothy     | Timothy Mix | Grass Mix   | Straw       |
|-------------|--------------|-------------|-------------|-------------|-------------|
| 2.75 – 3.00 | 4.00 – 11.25 | 4.80 – 5.80 | 2.90 – 6.30 | 2.60 – 7.80 | 3.10 – 3.40 |

|  |                 |                 |   |                                  |                 |                 |        |
|--|-----------------|-----------------|---|----------------------------------|-----------------|-----------------|--------|
| POULTRY <sup>2/</sup>  |                 |                 |   |                                  |                 |                 |        |
| Negotiated price for truck lot of ready-to-cook, ice-pack, Grade A Fryers (\$/CWT) – Week Ending - December 30, 2012                     |                 |                 |   |                                  |                 |                 |        |
|  | Current Week    |                 | Prev. Week  |                                  | Prev. Month     | Prev. Year      |        |
| N.Y. Weighted Avg.   | 95.55           |                 | 95.55   |                                  | 95.24           | 77.91           |        |
| 12 City Composite  | 95.67           |                 | 95.67   |                                  | 95.66           | 80.85           |        |
| SHEEP & LAMBS - Westminster, MD – December 11, 2012 – (\$/CWT)   |                 |                 |   | GOATS & KIDS – December 11, 2012 |                 |                 |        |
| Sheep  | 60.00 – 90.00   | Lambs Under 50  | 130.00 – 152.50                                   | Large                            |                 | 120.00 – 187.50 |        |
|  |                 | 50 – 80 lbs     | 115.00 – 135.00                                   | Medium                           |                 | 85.00 – 110.00  |        |
|  |                 | 90 – 130 lbs    | 72.50 – 130.00                                    | Kids                             |                 | 40.00 – 60.00   |        |
| HOGS & PIGS  |                 |                 |   |                                  |                 |                 |        |
| DIRECT MARKET HOGS - December 27, 2012 <sup>2/</sup>   |                 |                 | MARKET HOGS - Westminster, MD – December 11, 2012 |                                  |                 |                 |        |
| *Base Price Range  | Carcass Basis   | Weighted        | Butcher Hogs                                      |                                  | Sows            |                 |        |
|  | Base 185 lb Hog | Average         | #1 215 – 275 lbs                                  | 61.00 – 62.50                    | Heavyweights    | 45.00 – 56.50   |        |
| Iowa, Minn   | 69.00 – 84.00   | 81.27           | Heavyweights                                      | 61.00 – 62.00                    | Lightweights    | NA              |        |
| Eastern Cornbelt   | 77.01 – 82.00   | 80.63           |   |                                  | Boars           |                 |        |
| * Base price is the price from which no discounts are subtracted and no premiums are added   |                 |                 |   |                                  | Heavyweights    | 23.00 – 39.00   |        |
|  |                 |                 |   |                                  | Lightweights    | NA              |        |
| MARKET HOGS-Lancaster, New Holland & Vintage, PA - (\$/CWT) - December 17, 2012 <sup>2/</sup>  |                 |                 |   |                                  |                 |                 |        |
| Percent Lean   | Weight          | Price           |   | 45 - 49                          | 220 – 300 lbs   | 64.00 – 65.50   |        |
| 49 - 54  | 220 – 300 lbs   | 65.00 – 68.00   |   |                                  | 300 – 400 lbs   | 58.00 – 60.00   |        |
|  | 300 – 400 lbs   | 66.00 – 69.00   |   |                                  |                 |                 |        |
|  |                 |                 |   |                                  |                 |                 |        |
| FEEDER PIGS-Lancaster, New Holland & Vintage, PA-(\$/CWT) (US 1-2)-, December 19, 2012 Next Feeder Pig sale – Jan. 2, 2012 <sup>2/</sup> |                 |                 |   |                                  |                 |                 |        |
| Weight   | Price           | Wt Avg Price    |   | Weight                           | Price           | Wt Avg Price    |        |
| 15 – 20 lbs  | 230.00 – 230.00 | 230.00          |   | 30 – 40 lbs                      | 165.00 – 180.00 | 174.69          |        |
| 20 – 25 lbs  | 240.00 – 265.00 | 253.10          |   | 50 – 60 lbs                      | 130.00 – 130.00 | 130.00          |        |
| 25 – 30 lbs  | 200.00 – 215.00 | 208.44          |   | 100 – 150 lbs                    | 60.00 – 85.00   | 73.06           |        |
| LIVESTOCK FUTURES - CME Group - Settle (CWT) – December 27, 2012   |                 |                 |   |                                  |                 |                 |        |
| LIVE CATTLE – FUTURES  |                 |                 |   | LEAN HOGS – FUTURES              |                 |                 |        |
| DEC12  | 128.85          | JUN13           | 131.43  | FEB13                            | 87.03           | JUN13           | 100.15 |
| FEB13  | 133.05          | AUG13           | 131.00  | APR13                            | 90.95           | JLY13           | 99.70  |
| APR13  | 136.88          | OCT13           | 134.48  | MAY13                            | 98.33           | AUG13           | 98.53  |
| STOCKER – FEEDER CATTLE – (\$/CWT)   |                 |                 |   |                                  |                 |                 |        |
| Winchester, VA – December 18, 2012 <sup>2/</sup>   |                 |                 | Westminster, MD – December 11, 2012               |                                  |                 |                 |        |
|  |                 |                 |   |                                  |                 |                 |        |
| Steers   | 300 – 400 lbs   | 130.00 – 169.00 | Steers  | 200 – 300 lbs                    | 120.00 – 136.00 |                 |        |
|  | 400 – 500 lbs   | 129.00 – 171.00 |   | 400 – 500 lbs                    | 108.00 – 130.00 |                 |        |
|  | 500 – 600 lbs   | 158.00 – 176.00 |   | 600 – 700 lbs                    | 98.00 – 109.00  |                 |        |
|  | 600 – 700 lbs   | 127.50 – 138.50 |   | 800 – 1000 lbs                   | NA              |                 |        |
|  | 700 – 800 lbs   | 119.00 – 130.00 |   |                                  |                 |                 |        |
|  |                 |                 |   |                                  |                 |                 |        |
| Heifers  | 300 – 400 lbs   | 126.00 – 164.00 | Heifers   | 200 – 300 lbs                    | 80.00 – 109.00  |                 |        |
|  | 400 – 500 lbs   | 131.00 – 154.00 |   | 400 – 500 lbs                    | 98.00 – 120.00  |                 |        |
|  | 500 – 600 lbs   | 118.00 – 141.00 |   | 600 – 700 lbs                    | NA              |                 |        |
|  | 600 – 700 lbs   | 106.00 – 126.00 |   | 800 – 1000 lbs                   | 88.00 – 90.00   |                 |        |
|  | 700 – 800 lbs   | 110.00 – 112.00 |   |                                  |                 |                 |        |
| SLAUGHTER CATTLE (\$/CWT)  |                 |                 |   |                                  |                 |                 |        |
| Westminster, MD – December 11, 2012  |                 |                 |   |                                  |                 |                 |        |
| Sltr. Cows   |                 |                 | Fed Heifers                                       |                                  |                 |                 |        |
| Breakers   | 76.50 – 80.00   |                 | Fat   | 113.00 – 118.00                  |                 |                 |        |
| Boners   | 69.00 – 75.00   |                 | Lean  | NA                               |                 |                 |        |
| Thin/Slow  | 68.00 & Down    |                 |   |                                  |                 |                 |        |
| Fed Steers   |                 |                 | Holstein Bull Calves to Feed                      |                                  |                 |                 |        |
| Fat  | 118.00 – 125.50 |                 | #1  | 102.50 – 107.50                  |                 |                 |        |
| Lean   | 108.00 – 117.50 |                 | #2  | 87.00 – 98.00                    |                 |                 |        |
| Select   | 100.50 – 106.50 |                 | #3  | 83.00 & Down                     |                 |                 |        |
| Lancaster, New Holland & Vintage – December 27, 2012 <sup>2/</sup>   |                 |                 |   |                                  |                 |                 |        |
| Sltr. Steers:  |                 |                 | Sltr. Heifers:                                    |                                  |                 |                 |        |
| Hi Ch & Pr 3-4   | 1200 – 1575 lbs | 130.00 – 134.00 | Hi Ch & Pr 3-4                                    | 1350 – 1550 lbs                  | 123.50 – 126.00 |                 |        |
| Choice 2-3   | 1270 – 1600 lbs | 128.00 – 129.50 | Choice 2-3  | 1300 – 1400 lbs                  | 118.00 – 122.50 |                 |        |
| Select 1-3   | 1180 – 1600 lbs | 124.00 – 127.50 |   |                                  |                 |                 |        |
|  |                 |                 |   |                                  |                 |                 |        |
|  |                 |                 | Sltr. Cows:                                       | Percent Lean                     | Avg. Dressing   |                 |        |
| Sltr. Holsteins:   |                 |                 | Premium White                                     | 65 – 75                          | 74.50 – 78.50   |                 |        |
| Hi Ch & Pr 2-4   | 1500 – 1650 lbs | NA              | Breakers  | 75 – 80                          | 73.00 – 77.00   |                 |        |
| Choice 2-3   | 1550 – 1650 lbs | 109.00 – 112.00 | Boners  | 80 – 85                          | 72.00 – 76.50   |                 |        |
| Select 1-3   | 1400 – 1600 lbs | 104.00 – 108.50 | Lean  | 88 – 90                          | 67.00 – 71.50   |                 |        |

1/ Price Unit: Dollars and cents/ton (100 tons (2,000 lbs/ton))  
2/ Source: USDA, AMS